



Date: 9/28/23

In reply refer to:

Subject: Year-End A-123 Statement of Assurance

To: Customers and Stakeholders

As a Federal service provider for Agencies of the U.S. Department Agriculture (USDA), as well as many non-USDA Agencies, the National Finance Center (NFC) is subject to numerous legislative and regulatory requirements that are satisfied through internal control testing. Annual reviews of NFC's internal control over financial reporting are performed to satisfy Office of Management and Budget (OMB) Bulletin 22-01, *Audit Requirements for Federal Financial Statements*, and OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. As suggested by both OMB Bulletin 22-01 and A-123 guidance, NFC meets these requirements by providing our customers a System and Organization Controls 1 (SOC 1) type 2 report conducted in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 18, as amended by SSAE No. 21, which provides an opinion on whether (1) internal control over financial reporting for NFC payroll/personnel systems was suitably designed to achieve specified objectives and placed into operation and (2) the controls that were tested were operating effectively to provide reasonable assurance that the related control objectives were met during the specified period. Additional NFC controls that are not assessed as part of the annual NFC SOC 1 examination are assessed as part of the A-123 testing cycle.

Based on the unmodified opinion in the SOC 1 Report on Controls at the National Finance Center for October 1, 2022, to June 30, 2023, and A-123 control assessment results, NFC can provide reasonable assurance that there are no material weaknesses or significant deficiencies in its controls over financial reporting as of August 31, 2023.

/S/

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Director